

SECRET**EXECUTIVE OFFICE OF THE PRESIDENT****OFFICE OF MANAGEMENT AND BUDGET**

WASHINGTON, D.C. 20503

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Honorable William J. Casey
Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Bill:

The overseas pay increase you proposed in your letter of 10 June has encountered some difficulty in winning congressional support. In the absence of evidence in the form of a credible study, the proposed increase may give the appearance to the Congress of disrupting the comparability attained by the Foreign Service Reform Act of 1980. In addition, it could generate new inequities in pay and new pressures for increased compensation across a wide spectrum of government activities. This may place at risk the support we have so far successfully sought for the President's budget. (S) HS

In view of the negative congressional response, I urge that you not implement the proposed pay raise until all the issues involved in comparability, including pay, classification, benefits and allowances, and job assignments have been comprehensively reviewed. I would be glad to put together an interagency team to address these problems expeditiously. If inequities exist, let us identify them in a manner persuasive to the Congress. I appreciate your sense of urgency in implementing this proposal. I will make every effort to assist your office in completing such a review at an early date. (S)

Sincerely

David A. Stockman
Director

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